GOVERNMENT OF INDIA
FINANCE
LOK SABHA

STARRED QUESTION NO:292
ANSWERED ON:04.08.2017
Crypto Currency/Bitcoin
Raut Shri Vinayak Bhaurao;Shinde Dr. Shrikant Eknath

Will the Minister of FINANCE be pleased to state:

POSITION NO.12
GOVERNMENT OF INDIA
MINISTRY OF FINANCE
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA
STARRED QUESTION NO. 292
TO BE ANSWERED ON 4TH AUGUST, 2017/ 13TH SHRAVANA, 1939 (SAKA)
CRYPTO CURRENCY/BITCOIN
*292. SHRI VINAYAK BHAURAO RAUT:
DR. SHRIKANT EKNATH SHINDE:

QUESTION
Will the Minister of FINANCE be pleased to state:

(a) whether crypto currency/bitcoin is being used in various business in the country and if so, the details and the salient features thereof;
(b) whether the use of such currency has been permitted by the Government, if so, the details thereof and if not, the reasons therefor;
(c) whether there has been a nation-wide advertisement in various leading newspapers about the crypto currency and if so, the details thereof;
(d) whether the Government has received any complaint or taken suo moto action in this regard;
(e) if so, the details thereof and the corrective action taken against those violating laws of the land in this regard?

Answer

ANSWER

MINISTER OF FINANCE

(SHRI ARUN JAITLEY)

(a) to (e): A statement is laid on the Table of the House.

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STATEMENT REFERRED TO IN REPLY TO LOK SABHA STARRED QUESTION NO.292 RAISED BY SHRI VINAYAK BHAURAO RAUT, DR. SHRIKANT EKNATH SHINDE, HON'BLE MEMBERS OF PARLIAMENT TO BE ANSWERED ON 4.8.2017 CRYPTO CURRENCY/BITCOIN.

There is evidence that crypto currency/bitcoins are being used in the country. The bitcoin market in India has seen notable growth over the last few years. There are mainly two categories of players operating in India, one with presence in public domain and other who operate in an unorganized manner through social media sites and mobile apps. The players operating in public domain are either exchanges or traders.

At present, there are no regulations governing VCs including Bitcoin (BTC) in India. Further, Reserve Bank of India, vide, Press Release dated February 01, 2017 has advised that it has not given any license / authorization to any entity / company to operate such schemes or deal with Bitcoin or any virtual currency.

The Reserve Bank of India has cautioned from time to time, vide their Press Releases dated December 24, 2013 and February 1, 2017, the users, holders and traders of virtual currencies about the potential financial, operational, legal, customer protection and security related risks. These can be accessed at https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/IEPR1261VC1213.PDF & https://rbidocs.rbi.org.in/rdocs/PressRelease/PDFs/PR205413F23C955D8C45C4A1F56349D1B8C457.PDF

Taking cognizance of concerns raised at various fora from time to time on increasing use of virtual currencies and the regulatory challenges, Department of Economic Affairs constituted a committee with representatives from Department of Economic Affairs, Department of Financial Services, Department of Revenue (CBDT), Ministry of Home Affairs, Ministry of Electronics and Information Technology, Reserve Bank of India, NITI Aayog and State Bank of India. The objectives of committee, inter-alia, were to take stock of the present status of Virtual currencies both in India and globally; examine the existing global regulatory and legal structures governing Virtual Currencies; suggest the frame work for regulation of Virtual Currencies if considered including issues relating to consumer protection, taxation, money laundering among others; any other matter related to Virtual Currencies which may be relevant. DEA in May, 2017 had also invited comments from members of public on Mygov.in platform.

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